



General Assembly

February Session, 2008

**Raised Bill No. 5130**

LCO No. 1459

\*01459\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:

(BA)

**AN ACT LIMITING USE OF CHECKS TO CREATE BINDING AGREEMENTS ON CONSUMERS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2008*) (a) As used in this  
2 section: (1) "Consumer" means an actual or prospective purchaser,  
3 lessee or recipient of goods or services; (2) "person" means a natural  
4 person, corporation, trust, partnership, incorporated or  
5 unincorporated association and any other legal entity; and (3)  
6 "marketer" means any person who initiates the sale, lease or rental of  
7 goods or services by use of printed advertisement, postcard or other  
8 written notice.

9 (b) No agreement made by a consumer to purchase, lease or rent  
10 goods or services by endorsing a check payable to the consumer from a  
11 marketer shall be a binding, valid or enforceable contract against the  
12 consumer unless the consumer signs a written contract that: (1) Is a  
13 separate document; (2) discloses in full the terms of the sale, lease or  
14 rental agreement including the method of payment; and (3) complies  
15 with the provisions of section 42-152 of the general statutes and  
16 subsection (c) of this section. Any check sent to a consumer by a

17 marketer without such written contract shall be deemed to be an  
18 unconditional gift to the consumer without any obligation by the  
19 consumer to the marketer.

20 (c) The written contract shall include, but not be limited to, the  
21 following information:

22 (1) The name, address and telephone number of the marketer;

23 (2) A list of all prices or fees being charged including any handling,  
24 shipping, delivery or other charges;

25 (3) The date of the transaction;

26 (4) A detailed description of the goods or services being sold, leased  
27 or rented;

28 (5) In ten-point boldface type, in a space immediately preceding the  
29 space allotted for the consumer's signature, the following statement:  
30 "YOU ARE NOT OBLIGATED TO PAY ANY MONEY UNLESS YOU  
31 SIGN THIS CONTRACT AND RETURN IT TO THE ADDRESS  
32 CONTAINED IN THIS CONTRACT";

33 (6) If the transaction involves a trial offer or introductory rate, the  
34 notice required by subsection (b) of section 42-126b of the 2008  
35 supplement to the general statutes;

36 (7) If the transaction involves an automatic renewal, the notice  
37 required by subsection (c) of section 42-126b of the 2008 supplement to  
38 the general statutes;

39 (8) A telephone number or email address for the consumer to notify  
40 the marketer not to send any future solicitations to the consumer; and

41 (9) All other material terms and conditions.

42 (d) The marketer shall provide the consumer with a duplicate copy  
43 of the contract with the complete information as presented in the

44 original contract, to be retained by the consumer as proof of the terms  
45 of the agreement to purchase, lease or rent.

46 (e) A violation of any provision of this section shall be deemed an  
47 unfair or deceptive trade practice under subsection (a) of section 42-  
48 110b of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2008	New section

**Statement of Purpose:**

To prohibit use of checks to form a binding agreement on consumers in the absence of a valid written agreement meeting the requirements of this act.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*